



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Handwritten initials: RAL, bxy, JH, OK

INSPECTION REPORT

Partial Complete XXX Exploration
Inspection Date: 09/27/2002 Time: 10:00am-2:30pm
Date of Last Inspection: 08/07/2002

Mine Name: Wellington Prep Plant County: Carbon Permit Number: C/007/012
Permittee and/or Operator's Name: Nevada Electric Investment Company (NEICO)
Business Address: c/o Mt. Nebo Scientific, P.O. Box 337, Springville, Utah 84663
Company Official(s): Patrick Collins
State Official(s): Stephen J. Demczak Federal Official(s): None
Weather Conditions: Sunny, 60's
Type of Mining Activity: Underground Surface Prep Plant XXX Other
Existing Acreage: Permitted 1573.5 Disturbed 392 Regraded Seeded
Status: Active

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
 - b. For partial inspections check only the elements evaluated.
2. Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

	EVALUATED	N/A	COMMENTS	NOV/ENF
1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. SIGNS AND MARKERS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. TOPSOIL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. SEDIMENT PONDS AND IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. OTHER SEDIMENT CONTROL MEASURES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. WATER MONITORING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. EXPLOSIVES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. NONCOAL WASTE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL ISSUES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. SLIDES AND OTHER DAMAGE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. CONTEMPORANEOUS RECLAMATION	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. BACKFILLING AND GRADING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. REVEGETATION	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. SUBSIDENCE CONTROL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. OTHER TRANSPORTATION FACILITIES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS CHECK (4 th Quarter- April, May, June)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/007/012

DATE OF INSPECTION: 09/27/2002

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

No new amendments have been sent to the Division by the permittee.

The Division has determined that the bond for Wellington should be increased. The permittee has never submitted an amendment for building removal and some backfilling and grading at the Wellington Prep. Plant, thereby reducing the bond amount. The inspector advised the permittee to submit a bond release application to reduce the reclamation cost estimate.

2. SIGNS AND MARKERS

Spot-checks of the disturbed area markers were made throughout the property. The permittee was in compliance.

3. TOPSOIL

There were no signs of wind or water erosion to the topsoil piles.

4A. HYDROLOGIC BALANCE: DIVERSIONS

The diversions were spot-checked and were found to comply with the requirements of the Mining and Reclamation Plan and the R645 Coal Rules. The undisturbed diversion located above the Westside property will need to be cleaned out due to the recent rainstorms. This diversion has started to silt-up and the embankments have started to erode. The permittee will fix this area once the diversion dries out. This area was cleaned out in the spring, but continues to be a maintenance problem.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The sediment ponds were not discharging during the inspection and are not likely to discharge in the near future. These ponds did contain a little or no water. There were no signs of any hazardous conditions during the inspection. The sediment ponds were inspected on June 28, 2002. Dan Guy conducted the inspection.

4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

Siltation structures were inspected and complied the R645 Coal Rules. The permittee uses straw bales and silt fences in the disturbed area.

4D. HYDROLOGIC BALANCE: WATER MONITORING

Second quarter water monitoring was reviewed. It consisted of checking parameters, sampling at required site locations, and holding time requirements for water samples. No problems were found with the requirements in the R645 Coal Rules and the MRP. The permittee has submitted all information for second quarter into the water electronic database system. The inspector checked the water database for confirmation. The permittee has taken the third quarter water samples.

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/007/012

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4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

There was no discharge for the second quarter.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

The refuse pile was inspected on June 28, 2002. This document was P.E. certified by Dan Guy. No hazardous conditions reported.

8. NONCOAL WASTE

The area was clear of non-coal waste material.

18. SUPPORT FACILITIES/UTILITY INSTALLATIONS

No new support facilities were built since the last inspection.

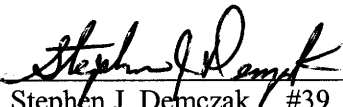
20. AIR QUALITY PERMIT

The permittee is in compliance with the air quality permit. There are two Air Quality permits for Wellington Prep. Plant. The east side of the Price River has a separate permit (DAQE-1014-97) and west side of the Price River has a permit (DAQE-997-92).

21. BONDING AND INSURANCE

The permit area is 1573.5 acres and the disturbed area is 392 acres. Exhibit "A" states that the bonded area equals the permit area. The bonding is set at \$4,904,000.

The insurance policy was inspected and complies with the coal rules. The policy covers explosives. The insurance will expire on February 9, 2003. The insurance is being carried by Scottsdale Insurance Co.

Inspector's Signature:  Date: September 30, 2002
Stephen J. Demczak #39

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas & Mining.

cc: James Fulton, OSM
Patrick Collins, Mt. Nebo for NEICO
Price Field office
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